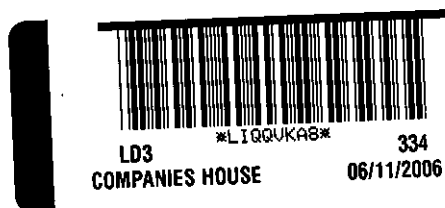


Orange Home UK Plc (formerly Wanadoo UK Plc)

REGISTERED NO. 3014367

Report and Financial Statements

As at 31 January 2006



Orange Home UK Plc (formerly Wanadoo UK Plc)

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Orange Home UK Plc (formerly Wanadoo UK Plc)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Eric Abensur
Timothy Phillips (resigned 6 July 2006)
John Sills

SECRETARY

Colin Caldwell

REGISTERED OFFICE

Verulam Point
Station Way
St Albans
AL1 5HE

BANKERS

HSBC Bank PLC
City of London
Corporate Office
PO Box 125
27-32 Poultry
London
EC2P 2BX

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Orange Home UK Plc (formerly Wanadoo UK Plc)

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Orange Home UK Plc (formerly Wanadoo UK Plc) ("the Company") for the 1 month ended 31 January 2006. Comparative figures are for the 12 months ended 31 December 2005.

Principal activities

Orange Home UK Plc is an internet service provider in the UK and is the proprietor of one of the most popular internet portals in the country delivering an integrated offering of UK-focused content, e-commerce, tools and services.

Review of Developments

The Company's results for the 1 month ended 31 January 2006 are set out on page 7.

On 31 January 2006, the Company sold a number of its customer contracts to OHCS II - Serviços de Internet, Unipessoal, LDA (formerly Wanadoo Broadband Serviços de internet, LDA), a Company based in Madeira Portugal for £123m. These were broadband customer contracts whose internet service was being provided over the BT IPstream network. The sale enabled Orange Home UK Plc to focus on its core strategy to become a broadband service provider based on its unbundled local loop networks. In addition to this the Company also sold its capitalized live box stock to OHCS I - Serviços de Internet, Unipessoal, LDA (formerly Wanadoo Serviços de internet, LDA) for £11m.

Events after balance sheet date

On 9 May 2006 the Company purchased F3B Limited from Freeserve Investments Ltd for £1,794,556 and an application has been made to dissolve F3B Limited.

On 1 June 2006, the Company re-branded to Orange. Accordingly the Company changed its name from Wanadoo UK Plc to Orange Home UK Plc on 18 May 2006.

Dividends

The directors have not recommended the payment of a dividend for the period under review (2005: £nil).

Future Prospects

The Company expects to continue to develop its business operations during 2006 and to grow its revenues further.

Directors

The directors of the Company who served during the year were:

Eric Abensur
Timothy Phillips
John Sills

Resigned

06 July 2006

Directors' interests in shares

The Company is wholly owned by Wanadoo Plc. During the period Wanadoo Plc was wholly owned by France Telecom SA.

The directors' interests in shares of France Telecom SA are not required to be reported by the Company and accordingly are not disclosed.

No director had a beneficial interest in the shares of the Company or any other undertaking in the Wanadoo Group, or in any contract or arrangement (apart from contracts of service) to which the Company or any other group undertaking was a party during or at the end of the financial period.

Orange Home UK Plc (formerly Wanadoo UK Plc)

DIRECTORS' REPORT

Employment policies

The Company's employment policy fully embraces the principles of equal opportunity for all employees regardless of race, sex or religion.

The Company gives full and fair consideration for employment to people who are disabled and attempts to continue, wherever possible, the employment of employees who become disabled whilst employed by the Company.

Employee involvement

The Company seeks the involvement of all employees in achieving both its short and long term goals. This is achieved in a variety of ways including regular staff briefings, newsletters and desk drops. Regular staff attitude surveys are undertaken, the results of which are used to assist the development of employment policy.

The Company operates a number of incentive schemes, including share options, to encourage employees to contribute directly to the collective success.

Charitable donations

During the period the Company made charitable donations of £nil. (2005: £nil).

Payments to creditors

It is the Company's policy to make payments to creditors in accordance with the terms agreed in respect of each business transaction, provided that the creditor has complied with the terms and conditions of the relevant contract. The amounts due to trade creditors at 31 January 2006 represented approximately 61 days of average purchases throughout the year (2005: 61 days).

Directors' statement of disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 1. Having made enquires of fellow Directors and of the Company's auditors, each of these Directors confirm that:

- to the best of each Directors' knowledge and belief, there is no information relevant to the preparation of their report of the which the Company's auditors are unaware; and
- each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

02 November 2006
Registered office:
Verulam Point
Station Way
St Albans
AL1 5HE

By order of the Board


Colin Caldwell
Company Secretary

Orange Home UK Plc (formerly Wanadoo UK Plc)

DIRECTORS' STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Orange Home UK Plc (formerly Wanadoo UK Plc)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORANGE HOME UK PLC

We have audited the Company's financial statements for the one-month ended 31 January 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 25. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and that the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 January 2006 and of its profit for the one-month then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst & Young LLP
Registered auditor
London

Ernst & Young LLP

6 November 2006

Orange Home UK Plc (formerly Wanadoo UK Plc)
PROFIT AND LOSS ACCOUNT
1 month ended 31 January 2006

	<i>Note</i>	1 month ended 31 January 2006 £'000	12 months ended 31 December 2005 £'000
Turnover	3	21,389	244,944
Cost of sales		(11,974)	(142,944)
Gross profit		9,415	102,000
Other operating income	5	122,500	-
Distribution expenses		(11,434)	(123,124)
Administration expenses		(2,481)	(15,990)
Operating profit/ (loss)		118,000	(37,114)
Profit on sale of tangible fixed assets		-	6
Profit/(loss) on ordinary activities before interest		118,000	(37,108)
Interest payable & similar charges	6	(472)	(6,386)
Profit/(loss) on ordinary activities before taxation		117,528	(43,944)
Taxation credit on profit/(loss) on ordinary activities	9	37	21,254
Profit/(loss) for the period		117,565	(22,690)
Loss brought forward		(281,982)	(259,292)
Loss carried forward		(164,417)	(281,982)

Total Recognised Gains and Losses

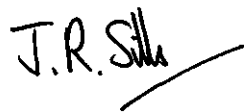
There are no recognised gains or losses for the current and previous financial periods other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

All results relate to continuing operations.

Orange Home UK Plc (formerly Wanadoo UK Plc)
BALANCE SHEET
As at 31 January 2006

	<i>Note</i>	31 January 2006 £'000	31 December 2005 £'000
Fixed assets			
Tangible assets	10	24,763	31,897
Investments	11	1,033	1,033
		25,796	32,930
Current assets			
Stock	12	174	1,457
Debtors	13	232,860	88,780
Cash at bank and in hand		2,241	629
		235,275	90,866
Creditors: due within one year	14	(152,493)	(133,410)
Net current liabilities		82,782	(42,544)
Total assets less current liabilities		108,578	(9,614)
Creditors: due after more than one year	15	(113,599)	(113,013)
Net liabilities		(5,021)	(122,627)
Capital and reserves (including non-equity interests)			
Called up share capital	17	252	252
Share premium account	18	158,632	158,632
Equity settled stock option plan liability		512	471
Profit and loss account	18	(164,417)	(281,982)
Equity shareholders' deficit		(5,021)	(122,627)
Attributable to equity shareholders		(5,171)	(122,777)
Attributable to non-equity shareholders		150	150
		(5,021)	(122,627)

These financial statements were approved by the Board of Directors on 02 November 2006 and signed on its behalf by:



John Sills
Director

Orange Home UK Plc (formerly Wanadoo UK Plc)

NOTES TO THE FINANCIAL STATEMENTS

As at ended 31 January 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

The principal accounting policies have been applied consistently throughout the period and preceding year.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The financial statements include the results of the Company for the month ended 31 January 2006. Comparative figures are for the 12 months ended 31 December 2005.

The following new accounting standards are not applicable to any transactions that the Company has made in this period or the preceding year.

- FRS 21-Events after the balance sheet date
- FRS 22-Earning per Share
- FRS 23-The Effects of Changes in Foreign Exchange Rates
- FRS 24-Financial Reporting in Hyperinflationary Economies
- FRS 25-Financial instruments: Disclosure and Presentation
- FRS 26-Financial Instruments: Measurement
- FRS 27-Life Assurance
- FRS 28-Corresponding Amounts
- FRS 29-Financial Instruments: Disclosures

1.2 Turnover

Turnover comprises revenue from ISP subscriptions, connectivity, online advertising and e-commerce, stated net of sales tax and agency commissions.

ISP subscription revenues are recognised rateably over the period to which the revenue relates. Discounts given to customers during a contract period with the Company are spread evenly over the duration of the contract.

Connectivity revenues represent Orange Home's share of the net termination payment made by a call-originating public telecommunications operator to the carrier terminating the call. The revenue is received net of any costs from the carrier terminating the call and there are no other related costs. Revenue from connectivity is recognised when the service is provided.

Advertising revenues are recognised rateably over the period in which the advertisement is displayed provided that no significant obligations remain at the end of the period and collection of the resulting debtor is probable. Orange Home occasionally takes part in barter advertising deals whereby partners' banner advertisements are shown in unsold space on Orange Home's sites, in exchange for Orange Home banners appearing in unsold space on their sites. Both the revenue and cost elements of these transactions are deemed to be £nil.

Sponsorship revenue is recognised rateably over the contract period or the period to which the payment relates. All other e-commerce revenue is recognised as earned.

1.3 Research and development

With the exception of the cost of building websites for new businesses, part of which are capitalised, the development of new products and enhancements to existing products are charged to profit and loss account as they are incurred.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, where appropriate, provision for impairment or estimated loss on disposal. Depreciation is provided to write off the costs of the assets by equal instalments over their estimated useful lives. The rates used are:

Freehold property	- 3% per annum
Fixtures, fittings and equipment	- between 10% and 33.3% per annum
Website build costs	- between 25% and 50% per annum

Depreciation is not charged until assets are complete and ready to use.

Orange Home UK Plc (formerly Wanadoo UK Plc)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 January 2006

1. ACCOUNTING POLICIES (continued)

1.5 Investments

Fixed asset investments are stated at cost less provision for impairment.

1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or receive more, tax, with the exception of deferred tax assets, which are only recognised to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.7 Operating leases

Rentals payable under property leases are charged to the profit and loss account in equal instalments up to each market rent review date, throughout the lease term.

1.8 Foreign exchange

Exchange differences arising from foreign currency transactions are included in profit/(loss) on ordinary activities before taxation.

1.9 Post retirement benefits

The parent Company operates a defined contribution scheme for its eligible employees. The Company's contributions are charged to the profit and loss account as they become payable.

1.10 Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard 1. A cash flow statement has not been prepared as the Company was, throughout the period, a wholly owned subsidiary of France Telecom SA, registered in France, which prepares a group cash flow statement.

1.11 Stock

Stocks are stated at the lower of cost and net realisable value. Stock consists of modems and live boxes, modems are bought for resale and live boxes are leased to the customer.

1.12 Consolidated accounts

Consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of a Company registered in England and Wales. Accordingly the Company's financial statements present information about it as an individual undertaking and not as a group.

1.13 Share based payments

The Company has taken early adoption of FRS20 Share based payments.

2. GOING CONCERN

The financial report has been prepared on a going concern basis. Orange Home UK Plc (formerly Wanadoo UK Plc), is reliant on the future financial support from the parent company, France Telecom SA. In order for this financial report to be prepared on the going concern basis, the directors have received a letter of financial support from the parent company. This letter states that the parent company will provide a loan of up to £200m to Orange Home UK Plc to enable it to pay its debts as and when they fall due, up to 30 November 07. The parent company believes that it has the financial resources to fulfil this commitment.

3. SEGMENTAL INFORMATION

Turnover represents amounts derived from the provision and services which fall within the Company's ordinary activities after deduction of sales taxes, agency commission and partner revenue share. The Company is engaged in one line of business as a UK Internet portal. All turnover is derived from activities in the UK.

Orange Home UK Plc (formerly Wanadoo UK Plc)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 January 2006

4. OPERATING PROFIT / (LOSS)

	1 month ended 31 January 2006 £'000	12 months ended 31 December 2005 £'000
Operating loss is stated after charging:		
Depreciation	720	4,250
Rentals paid under operating leases		
- other	40	483
- broadband network	146	13,803
Auditors' remuneration-audit fees	55	146
Unrealised exchange (gains) / losses	(7)	(450)

The profit and loss account includes unrealised exchange gains of £7,000 (2005: gains of £450,000) arising from unsettled short-term monetary items. The directors consider this disclosure necessary in order for the financial statements to give a true and fair view.

5. OTHER OPERATING INCOME

On 31 January 2006, the Company sold a number of its customer contracts to OHCS II - Serviços de Internet, Unipessoal, LDA (formerly Wanadoo Broadband Serviços de internet, LDA), a Company based in Madeira Portugal for £122.5m. These were broadband customer contracts whose internet service was being provided over the BT IPstream network. In accordance with FRS 10 'Goodwill and Intangibles, the customers base was not previously recognised as a separate intangible asset because they were not purchased separately from a business or part of business acquisition and was not internally generated.

6. NET INTEREST

	1 month ended 31 January 2006 £'000	12 months ended 31 December 2005 £'000
Group loan interest payable	(469)	(4,840)
Other group interest payable	-	(2,011)
Other interest receivable	(3)	15
	(472)	(6,386)

7. EMPLOYEES

	1 month ended 31 January 2006 £'000	12 months ended 31 December 2005 £'000
Staff costs for the period were		
Wages and salaries	2,217	25,002
Social security costs	214	3,106
Other pension costs	67	723
	2,498	28,831
	Number	Number
Average number of persons employed		
- sales and distribution	417	409
- administration	121	100
	538	509

8. DIRECTORS' REMUNERATION

	1 month ended 31 January 2006 £'000	12 months ended 31 December 2005 £'000
Basic salary	36	423
Benefits in kind	-	4
Bonuses	11	191
Pension contribution to defined contribution schemes	2	20
	49	638
Remuneration of the highest paid director	17	227

Orange Home UK Plc (formerly Wanadoo UK Plc)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 January 2006

9. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES	1 month ended 31 January 2006 £'000	12 months ended 31 December 2005 £'000
(a) Analysis of charge in year		
UK corporation tax income on loss for the year	-	(12,118)
Adjustment in respect of prior periods	(1,190)	(5,867)
Total current tax income (note 9 (b))	<u>(1,190)</u>	<u>(17,985)</u>
UK deferred tax:		
Origination and reversal of timing differences	1,153	977
Opening deferred tax not recognised	-	(4,246)
	<u>1,153</u>	<u>(3,269)</u>
Total tax charge / gain on profit / (loss) on ordinary activities	<u>(37)</u>	<u>(21,254)</u>
(b) Factors affecting tax charge for the year	1 month ended 31 January 2006 £'000	12 months ended 31 December 2005 £'000
Profit / (loss) on ordinary activities before tax	117,528	(43,944)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 – 30%)	35,258	(13,183)
Effects of:		
Expenses not deductible for tax purposes	28	2,042
Capital allowances for period in excess of depreciation	37	(2,172)
Other movements in timing differences	-	1,195
Unprovided tax losses now recognised	(35,323)	-
Adjustment in respect of prior period	(1,190)	(5,867)
Total current tax (note 9(a))	<u>(1,190)</u>	<u>(17,985)</u>

(c) Deferred tax

The Company has recognised £1,287K and £829K of deferred tax assets in relation to short term timing differences and accelerated capital allowances as their reversal will generate losses available to be group relieved. The deferred tax asset of £5.3 million in relation to tax losses carried forward of approximately £18 million has not been recognised as there is insufficient certainty as to the availability of future taxable profits and these cannot be surrendered to other group companies. Similarly, a deferred tax asset of £1.7 million in relation to capital losses totalling approximately £5.8 million has not been recognised.

Orange Home UK Plc (formerly Wanadoo UK Plc)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 January 2006

10. TANGIBLE FIXED ASSETS

	Freehold property £'000	Computer equipment £'000	Plant and machinery £'000	Total £'000
Cost				
At 31 December 2005	4,262	40,560	11,755	56,577
Additions	-	242	2,245	2,487
Disposals	-	(1,280)	(8,620)	(9,900)
At 31 January 2006	4,262	39,521	5,380	49,164
Depreciation				
At 31 December 2005	817	18,952	4,911	24,680
Charge for the period	12	431	277	720
Disposals	-	-	(999)	(999)
At 31 January 2006	829	19,383	4,189	24,401
Net book value				
At 31 December 2005	3,445	21,608	6,844	31,897
At 31 January 2006	3,433	20,138	1,191	24,763

All tangible fixed assets have been valued at historical cost.

11. FIXED ASSET INVESTMENTS

	Subsidiaries £'000	Other shares £'000	Total £'000
Cost			
At 31 December 2005	41,829	466	42,295
At 31 January 2006	41,829	466	42,295
Provision			
At 31 December 2005	40,796	466	41,262
At 31 January 2006	40,796	466	41,262
Net book value			
At 31 December 2005	1,033	-	1,033
At 31 January 2006	1,033	-	1,033

The Company's direct subsidiary undertakings at 31 January 2006 are listed below. Percentages shown relate to the proportion of ordinary share capital held by the Company:

Freeserve Investments Limited (100%)
Strike Off 4 Limited (100%)
Freeserve.com Limited (100%)

These Companies are non trading / dormant companies. Applications to have Strike Off 4 Limited and Freeserve.com Limited dissolved have been made on 6th January 2006.

12. STOCKS

	31 January 2006 £'000	31 December 2005 £'000
Finished goods and goods for resale	174	1,457

Orange Home UK Plc (formerly Wanadoo UK Plc)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 January 2006

13. DEBTORS

	31 January 2006 £'000	31 December 2005 £'000
Due within one year:		
Trade debtors	4,486	7,587
Other debtors	14,939	20,966
Prepayments and accrued income	6,686	6,197
Amounts due from other Group companies	206,749	54,030
	<u>232,860</u>	<u>88,780</u>

14. CREDITORS – amounts falling due within one year

	31 January 2006 £'000	31 December 2005 £'000
Trade creditors	12,092	11,073
Amounts owed to other Group undertakings	99,278	76,173
Other creditors	4,141	4,082
Accruals and deferred income	36,982	42,082
	<u>152,493</u>	<u>133,410</u>

15. CREDITORS – due after more than one year

	31 January 2006 £'000	31 December 2005 £'000
Group Loan – France Telecom	113,599	113,013
	<u>113,599</u>	<u>113,013</u>

16. BORROWING FACILITIES

The Company had no available undrawn committed borrowing facilities for the period (2005: £nil).

17. SHARE CAPITAL

	31 January 2006 £'000	31 December 2005 £'000
Authorised:		
1,500,000,000 Ordinary shares of 0.01 pence each	150	150
150,000 Preference shares of £1.00 each	150	150
	<u>300</u>	<u>300</u>
Called up, allotted and fully paid:		
1,016,191,954 Ordinary shares of 0.01 pence each	102	102
150,000 Preference shares of £1.00 each	150	150
	<u>252</u>	<u>252</u>

18. MOVEMENT IN RESERVES

	Share premium account £000	Profit and loss account £000
As at 31 December 2005	158,632	(281,982)
Profit for the period	-	117,565
As at 31 January 2006	<u>158,632</u>	<u>(164,417)</u>

Orange Home UK Plc (formerly Wanadoo UK Plc)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 January 2006

19. FINANCIAL COMMITMENTS

	31 January 2006 £'000	31 December 2005 £'000
Capital commitments		
Contracted for but not provided	4,281	6,518

20. CONTINGENT LIABILITIES

The Company had no contingent liabilities at 31 January 2006 (2005: £nil).

21. OPERATING LEASE COMMITMENTS

At 31 January 2006 the Company was committed to the following payments during 2006 in respect of operating leases.

	2006		2005	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Leases which expire:				
Within one year	1,051	24,436	1,051	23,818
Within two to five years	3,338	2,741	3,403	2,998
Over five years	1,738	-	1,760	-
	6,127	27,177	6,214	26,816

22. POST RETIREMENT BENEFITS

The Company's permanent employees are eligible to join a funded defined contribution scheme. The cost of contributions made by the Company to this scheme was £69,000 in the period (31 December 2005 £743,000). There are no outstanding contributions to be made to the scheme for the period.

23. RELATED PARTY TRANSACTIONS

From 13 February 2001 the Company has been a member of the group headed by France Telecom SA, a company incorporated in France. Accordingly, the Company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with other members of the France Telecom SA Group.

24. PARENT COMPANY

The Company's immediate parent is Wanadoo Plc.

In the opinion of the directors, the Company's ultimate parent and controlling party is France Telecom SA, a company incorporated in France. Copies of the group Financial statements of France Telecom SA may be obtained from the registered office of France Telecom SA at 6, Place d'Alleray, 75505, Paris, Cedex 15, France.

Orange Home UK Plc (formerly Wanadoo UK Plc)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
As at 31 January 2006

25. EVENTS AFTER BALANCE SHEET DATE

On 1 June 2006, the Company re-branded to Orange. Accordingly the company changed its name from Wanadoo UK Plc to Orange Home UK Plc on the 18 May 2006.

On 9 May 2006 the Company purchased F3B Limited from Freeserve Investments Ltd for £1,794,556 and an application has been made to dissolve F3B Limited.